



International
Labour
Organization

REQUEST FOR PROPOSAL

***Feasibility study on extension of Social
Security coverage to smallholder farmers and
casual agriculture workers in the informal
economy in Zambia***

(Reference N°2016-1224204)

Responses to be received by *[9th September 2016]*



[August/2016]



Subject: Procurement of Consultancy Services to Conduct a Feasibility Study on Extension of Social Security coverage to Smallholder Farmers and casual agriculture workers in the informal economy in Zambia

Request for Proposal (RFP) N°: 2016-1224204

Date: 23/08/2016

Dear Sir/Madam,

The International Labour Office (hereinafter the "ILO") is pleased to invite your company to submit a Proposal for assessing the technical, financial and institutional feasibility of development and implementation of an innovative model to extend social security coverage to small scale farmers and casual agriculture workers. The assignment will provide recommendations to finalize the design of the new social security model considering alternative institutional arrangements and capacities as well as implementation modalities and as further described in Annex III.

To enable you to prepare and submit a Proposal, please find enclosed the following Annexes:

- Annex I: Instructions to Bidders;
- Annex II-A: Acknowledgment of Receipt;
- Annex II-B: Certificate of Eligibility to be submitted by a Bidder in an ILO Competitive Bidding Procedure;
- Annex II-C: Bidder's Information Form;
- Annex II-D: Recent References;
- Annex II-E: Technical Proposal;
- Annex II-F: Financial Offer;
- Annex III: Terms of Reference; and
- Annex IV: Terms and Conditions applicable to ILO Contracts for Services.

Your Proposal must be received by the ILO no later than **17.00hrs on 09/09/2016 05:00 PM**. Late bids shall be rejected.

You may submit a Proposal to the ILO provided that your organization is qualified, able and willing to deliver the goods, works and/or services specified in this RFP. Participation in this RFP indicates acceptance of the Terms and Conditions applicable to ILO Contracts for Services provided in Annex IV. Failure to comply with the requirements of this RFP and its Annexes may render a Proposal ineligible for consideration.

You are kindly requested to acknowledge receipt of this RFP and to indicate whether or not you intend to submit a Proposal by completing and returning the form provided in Annex II-A.

We look forward to receiving your Proposal.

Yours sincerely,

[Alexio Musindo]



Director
ILO Lusaka Country Office

INSTRUCTIONS TO BIDDERS

Reference: **RFP N° 2016-1224204**

Feasibility study on extension of Social Security coverage to smallholder farmers and casual agriculture workers in the informal economy in Zambia

Abstract

This document outlines the requirements for presentation of a Request for Proposal to be considered by the International Labour Office.

INSTRUCTIONS TO BIDDERS

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1. INTRODUCTION

1.1 General

These instructions are provided for general information for the preparation of the Proposal for procurement of services for assessing the technical, financial and institutional feasibility of development and implementation of an innovative model to extend social security coverage to small scale farmers and casual agriculture workers. The assignment will provide recommendations to finalize the design of the new social security model considering alternative institutional arrangements and capacities as well as implementation modalities. The Bidder is expected to examine all corresponding instructions, forms, terms and specifications contained in the RFP documents. Failure to comply with these documents will be at the Bidder's risk and may affect the evaluation of the Bid concerned.

1.2 Eligible Bidders

Bidders should not be associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates or an individual which have been engaged by the ILO to provide consulting services for the preparation of the design specifications, and other documents to be used for the procurement of goods, works or services to be purchased under this Request for Proposal.

1.3 Cost of Bid

The Bidder shall bear all costs associated with the preparation and submission of the Bid. The ILO will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

1.4 RFP Schedule Summary

• RFP release date:	26/08/2016		
• Site visit or bidders' conference (if applicable):	N/A		
• Clarification questions, if any, related to this RFP must be submitted to Lusaka-Proposals@ilo.org by:	01/09/2016, COB		
• ILO response to clarification questions by:	02/09/2016		
• Proposals Receipt Deadline:	09/09/2016	05:00	PM
• Estimated Contract Signature Date:	19/09/2016		
• Estimated Contract Start Date:	19/09/2016		

1.5 Site Visit / Bidders' Conference N/A

1.6 Clarification Questions

A prospective Bidder requiring any clarification of the RFP documents may notify the ILO in writing. The ILO's response will be provided in writing to any request for clarification received by the deadline indicated in paragraph 1.4 above. Written copies of the response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective Bidders that received the RFP documents.

2 BIDDING CONDITIONS

2.1 Acknowledgment of Receipt

A prospective Bidder is requested to return promptly the Acknowledgement of Receipt form, provided in Annex II-A, duly completed and signed, even if it is not intending to submit a Proposal.

2.2 Number of Copies, Format and Signing of Proposal

The Bidder shall submit one original and [2] copies of the Proposal, clearly marking each "Original Proposal" and "Copy of Proposal" as appropriate. In the event of any discrepancy between them, the original shall prevail. The Proposal shall be typed or written in indelible ink and shall be dated and signed by the Bidder i.e. by a person or persons duly authorized to bind the Bidder to the contract. The Proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the Bidder, in which case such corrections shall be initialed by the person or persons signing the Proposal.

2.3 Submission and Receipt of Proposals

It is the responsibility of Bidder to ensure that a Proposal is submitted to the ILO strictly in accordance with the stipulations in the solicitation documents.

Proposals must be received on or before 09/00/2016 05:00 PM .
Proposals and modifications to Proposals received after the proposal receipt deadline will be rejected. Proposals must include all the documents requested in these Instructions to Bidders and shall be submitted by:

- **Registered Mail** (official postal service) to:
International Labour Office
Country Office for Zambia, Malawi and Mozambique
Lubwa Road, Rhodes Park
P.O Box 32181
Lusaka
Tel: 211 252779
10101 Lusaka
Zambia

Or
- **Hand delivered** (including by courier services) directly to the above ILO address in return for a signed and dated receipt.

Proposals submitted by any other means will be rejected.

Proposals must be submitted using the double envelope system, i.e., the outer parcel containing two separate, sealed envelopes, one bearing the words "**Envelope A - Technical Proposal**" and the other "**Envelope B - Financial offer**".

Where there is any infringement of these instructions (e.g., envelopes are unsealed or references to prices are included in the Technical offer) the Proposal will be rejected.

The outer parcel should bear the following information:

- a) the address for submission of proposals indicated above;
- b) the reference to the RFP to which the Bidder is responding;
- c) the name and address of the Bidder to enable the Proposal to be returned unopened if it is declared to have been received "late".

The pages of each of the Technical and Financial Proposal must be numbered.

The inner package shall be sealed and shall bear the name of the Bidder and be marked as follows:

RFP N° 2016-1224204
Feasibility study on extension of Social Security coverage to
smallholder farmers and casual agriculture workers in the
informal economy in Zambia
CONFIDENTIAL
DO NOT OPEN BEFORE
12/09/2016 08:00 AM

In addition, the information below should appear on both sides of the inner envelope:

CONFIDENTIAL
To be opened by the Evaluation Panel ONLY

2.4 Official Language

The Proposal and all correspondence and documents related to the Proposal shall be written in the [English] language.

2.5 Correspondence

Any communication in connection with this RFP should be addressed in writing to the E-mail address mentioned in paragraph 1.4 above. All correspondence should quote the reference number of the RFP. Bidders are requested **not** to contact the ILO after the closing time, i.e. during the RFP assessment period.

2.6 No Consultation

A Bidder shall not:

- consult, communicate or agree with any other Bidder or competitor, with regard to price or any other matter related to the RFP for the purpose of restricting competition;

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- disclose its price, directly or indirectly, to any other Bidder or competitor, except in the case of provision of standard public price lists;
- make any attempt to induce any other person or organization to submit or not to submit a Proposal for the purpose of restricting competition.

If a Bidder is found to be in breach of any of these instructions, the ILO reserves the right to exclude the Bidder from the procedure and reject its proposal.

Nothing in this paragraph shall restrict the right of a Bidder to form a joint venture, a consortium, a partnership or an association for the purpose of submitting a joint Tender.

2.7 Contract Conditions

Bidders are expected to examine carefully and comply with all instructions, forms, contract provisions and specifications contained in these RFP documents.

By submitting a Proposal, the Bidder accepts in full and without restriction these instructions. It also accepts the Terms and Conditions of ILO Contracts for Services (Annex IV) being relied on for this bidding procedure and resulting contract, irrespective of the provisions of the Bidder's own conditions of sale, which it hereby waives.

The ILO reserves the right to decline to consider without further comment any Proposal which does not accept the Terms and Conditions of ILO Contracts for Services set out in Annex IV.

2.8 Work on ILO Premises

If the Bidder's personnel are required to work on ILO premises, they shall comply with the security and safety and health arrangements established by the ILO, including applicable provisions of local laws. Where applicable, the Bidder shall be responsible for obtaining valid entry visas and work permits for its employees or sub-contractors and contract commencement may be made subject to complying with these obligations. Failure to comply with such obligations may lead to suspension of payments under and cancellation of the contract.

2.9 Bid Currency

All prices shall be quoted in US \$. If the Bid is submitted in a currency other than the Bid Currency, to facilitate evaluation and comparison, the ILO will convert all such prices in US \$ at the official UN exchange rate applying on the last day for submission of Bids.

2.10 Incomplete Proposals

ILO may reject a Proposal that does not provide all the information requested which is necessary for assessment of the Proposal by the ILO.

2.11 Changes to Proposals

Changes or amendments to Proposals will only be accepted if they are received before the deadline for receipt of Proposals and shall be submitted in accordance with the instructions given above. The envelope shall be clearly marked as "Change(s) to Proposal".

2.12 Material Change(s) in Circumstances

The Bidder shall inform the ILO of any change(s) of circumstances arising during the RFP process including, but not limited to:

- a change affecting any declaration, accreditation, license or approval;
- major re-organizational changes, company re-structuring, a take-over, buy-out or similar event(s) affecting the operation and/or financing of the Bidder or its major sub-contractors;
- a change to any information on which the ILO may rely in assessing Proposals.

2.13 RFP Document, Specifications, Drawings

The RFP Documents and any specifications, plans, drawings, patterns, samples or information issued or furnished by the ILO, are issued solely for the purpose of enabling a Proposal to be completed and may not be used for any other purpose. The RFP documents and any additional information provided to Bidders shall remain the property of the ILO.

2.14 Sub-Contracting

If sub-contracting of work to be undertaken as a result of this RFP is permitted, the ILO reserves the right to approve any sub-contractor that was not included in the RFP Submission Form and request a copy of the sub-contracting agreement between the Bidder and its sub-contractor(s).

2.15 Proposal Validity

The validity of a Proposal shall be six (6) months commencing from the time and date of the closure of Proposals stated in paragraph 2.3 above. The ILO reserves the right to request an extension of the period of validity of Proposals, and to modify or exclude any of the terms of this RFP, at its sole discretion.

2.16 Notification of Contract Award

The ILO will evaluate the Proposals based on the Bidders' responses to the requirements set out in the RFP documents. Each Bidder will be informed of the decision reached concerning the award of the contract.

2.17 Publicity

During the RFP process, a Bidder is not permitted to create any publicity in connection with the RFP.

3 CONTENT OF THE PROPOSAL

Each Proposal shall comprise the following documents:

3.1 Envelope A-Technical Proposal (Annex II-B, C, D, and E)

Bidders are requested to submit in **Envelope A-Technical Proposal** the following Forms, Annexes II-B to E.

All information must be provided as requested and all Forms must be completed for a Proposal to constitute a valid offer, which is a prerequisite for subsequent evaluation.

3.1.1 Administrative Requirements

a) Certification to be submitted by a Bidder in an ILO Competitive Bidding Procedure (Annex II-B) (also to be completed by any Bidding partners and/or associates)

The ILO expects all participants in its procurement process to adhere to the very highest standards of moral and ethical conduct and transparency, to prevent any conflict of interest and not to engage in any form of coercive, collusive, corrupt, or fraudulent practices.

b) Bidder's Information Form (Annex II-C)

The Bidder's Information Form explicitly indicates that the Bidder accepts in full and without restriction the Terms and Conditions applicable to ILO Contracts for Services.

Each Bidder shall attach to this Annex the following mandatory documents:

- 1) Certificate(s) confirming that obligations relating to the payment of social security contributions and/or the payment of taxes in accordance with the legal provisions of the country in which the Bidder is established have been fulfilled;
- 2) The proof of declaration and payment of taxes, fees and social security contributions by the Bidder should indicate the state of affairs at the end of the previous fiscal year, bearing the statement "certified true copy", the date and the signature of a person authorized to represent the company;
- 3) A copy of the last three financial statements of the Bidder, certified by independent auditors.

c) Recent References (Annex II-D)

Each Bidder must provide details of three contracts entered into during the past five years which are similar in nature to

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that which will arise from this RFP. The information in Annex II-D must include as a minimum:

- Client name, location and date of project;
- Description of goods provided and works or services performed;
- Contract value;
- Contact details for references.

d) Technical Proposal (Annex II-E)

- 1) The Bidder shall use Annex II-E to describe how it intends to meet the requirements described in the RFP documents and in particular the Terms of Reference provided in Annex III.
- 2) In preparing its Proposal, the Bidder shall review all RFP requirements, including any document referred to in the RFP documents, and will reflect its understanding of and approach to meeting these requirements in the Proposal.
- 3) In preparing the Technical Proposal, the Bidder shall provide details of the proposed project methodology and implementation and management plan as well as CVs of key personnel which will deliver the goods, services or the works specified in this RFP.
- 4) The Bidder may also add any other document and information to demonstrate its technical and professional capacities and competencies to fulfill the requirements as specified in the Terms of Reference.

3.2 Envelope B-Financial Offer (Annex II-F)

Bidders are requested to submit their Financial Offer in a separate envelope (**Envelope B-Financial Offer**). The Financial Offer should be presented in the format provided in Annex II-F. The Bidder must also provide price breakdown information to support its Financial Offer.

All Financial Offers must be established and submitted net of any direct taxes or customs duties. As an international organisation, the ILO is exempt from all taxes and duties.

The ILO is not bound to accept the lowest priced offer from any Bidder, nor give any reason for rejecting a proposal.

4 EVALUATION OF PROPOSALS AND CONTRACT AWARD

4.1 Preliminary Evaluation

Prior to the detailed evaluation of each Proposal, the ILO will undertake a preliminary examination. Proposals will not be considered for further evaluation in cases where:

- a) They are incomplete (i.e. do not include all required documents as specified in Annex I, Instructions to Bidders, paragraph 3: Content of the Proposal);
- b) The Original Proposal is not signed by the duly authorized individual of the organization/company, as specified in Annex

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- I, Instructions to Bidders, paragraph 2.2: Number of Copies, Format and Signing of Proposal;
- c) Technical and financial documents have not been submitted in separate sealed envelopes and/or pricing information is included in the Technical Proposal envelope, as specified in Annex I, Instructions to Bidders, paragraph 2.3: Submission and Receipt of Proposals;
 - d) The validity period of the Proposal is not in accordance with the requirements of the RFP as specified in Annex I, Instructions to Bidders, paragraph 2.15: Proposal Validity.

4.2 Evaluation Process and Criteria

Proposals will be reviewed and evaluated by an Evaluation Panel, to determine compliance with the requirements specified in the RFP.

A two-stage procedure will be utilized in evaluating the Proposals, with evaluation of each Technical Proposal being completed prior to any Financial Offer being opened and compared. Financial Offers will be opened only for Bidder submissions that meet or exceed the minimum technical score of 60 (60 percent) of the obtainable score during the evaluation of Technical Proposals. Where the assessment of a Technical Proposal results in the minimum specified score not being achieved, the corresponding Financial Offer will not be eligible for further consideration.

Each Technical Proposal is evaluated on the basis of its responsiveness to the Terms of Reference (TOR).

During the second stage of the evaluation, the Financial Offers of all Bidders which have attained at least the minimum score during the technical evaluation will be compared.

ANNEX I

The proposals will be evaluated according to the criteria described below:

- (a) Depth and quality of response to the RFP;
- (b) Technical compliance with the Terms of Reference;
- (c) The qualifications and experience of proposed key personnel;
- (d) The proposed implementation and management plan;
- (e) The overall cost.

The process of evaluating the proposals will be based on the following percentage combination of Technical and Financial elements:

	Percentage
Technical Proposal	80%
Financial Offer	20]%
Total	100%

4.3 Award of the Contract

The ILO will award the contract to the Proposal (Technical and Financial) which represents best value for money, i.e. achieving the highest overall score.

The ILO reserves the right to accept or reject any Proposal in whole or in part, to annul the solicitation process and reject all Proposals at any time prior to the issue of the purchase order, without thereby incurring any liability to the affected Bidder(s) or any obligation to provide information on the grounds for the ILO's decision(s).

The award of the contract arising from this RFP will be made at the absolute discretion of the ILO. The ILO's decision to award the contract to a preferred Bidder is final and shall not be questioned by any Bidder.

The Contract or the benefit of the Contract shall not be assigned, sub-contracted or otherwise transferred by the successful Bidder in whole or in part, without ILO's prior written consent, to be given at its sole discretion.

**FORMS TO BE COMPLETED
AND
TO BE SUBMITTED BY THE BIDDER**

- **ANNEX II-A:** Acknowledgement of Receipt
- **ANNEX II-B:** Certification to be submitted by a Bidder in
an ILO Competitive Bidding Procedure
- **ANNEX II-C:** Bidder's Information Form
- **ANNEX II-D:** Recent References
- **ANNEX II-E:** Technical Proposal
- **ANNEX II-F:** Financial Offer

ACKNOWLEDGEMENT OF RECEIPT

To be returned to:

***ILO Country Office for Zambia,
Malawi and Mozambique
Lubwa Road, Rhodes Park
P.O Box 32181
Lusaka
Tel: 211 252779
10101
Lusaka
Zambia***

Fax:

E-mail: Lusaka-Proposals@ilo.org

Reference: **RFP N° 2016-1224204**

**Feasibility study on extension of Social Security coverage to
smallholder farmers and casual agriculture
workers in the informal economy in Zambia**

- ☐ WE ACKNOWLEDGE RECEIPT OF ALL TENDER DOCUMENTS FOR THE
ABOVEMENTIONED RFP
(Note: In event of missing elements, contact the ILO Office
mentioned above)
- ☐ WE INTEND TO SUBMIT A PROPOSAL
- ☐ WE WILL NOT BID FOR THE FOLLOWING REASONS:

.....
.....

Signature:

COMPANY STAMP

Name:

Position:

Tel/Fax:

E-mail:

Date:

**CERTIFICATION TO BE SUBMITTED BY A BIDDER
IN AN ILO COMPETITIVE BIDDING PROCEDURE**

RFP N° 2016-1224204 -

Feasibility study on extension of Social Security coverage to smallholder farmers and casual agriculture workers in the informal economy in Zambia

Date: 09/09/2016

The ILO expects all participants in its procurement process to adhere to the very highest standards of moral and ethical conduct and transparency, to prevent any conflict of interest and not to engage in any form of coercive, collusive, corrupt, or fraudulent practices.

With respect to its proposal submitted in response to the ILO's Invitation to Bid/Request for Proposal mentioned above, the Bidder hereby certifies that:

1. The prices in its proposal have been arrived at independently without consultation, communication or agreement with any other interested companies, competitor or potential competitor with a view to restricting competition.
2. No attempt has been made or will be made by the Bidder to influence any other Bidder, organization, partnership or corporation to either submit or not submit a proposal.
3. The Bidder will not offer, solicit or accept, directly or indirectly, any gratuity, gift, favour, entertainment, promises of future employment or other benefits to or from anyone in the ILO.
4. The Bidder (parent company and/or any subsidiaries) is not identified on, or associated with any individual, groups, undertakings and entities identified on, the list established pursuant to UN Security Council Resolution 1267 (Consolidated List).¹
5. The Bidder (parent company and/or any subsidiaries) will not use the funds received under any contract with the ILO to provide support to individuals, groups, undertakings or entities associated with terrorism.
6. The Bidder (parent company and/or any subsidiaries) is not the subject of any form of sanction imposed by an organization or body within the United Nations System, including the World Bank.

The ILO reserves the right to cancel or terminate with immediate effect and without compensation any offer of or contract arising from this bidding procedure in the event of any misrepresentation in relation to the above certifications.

Definitions of terms used in this declaration:

"coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, another or the property of another to influence improperly the actions of another.

¹ The Consolidated List can be found at the website:
http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.



ANNEX II-B

"collusive practice" is any conduct or arrangement between two or more bidders or contractors, designed to achieve an improper purpose, including to influence improperly the actions of another or to set prices at an artificial level or in a non-competitive manner;

"conflict of interest" is a situation that gives rise to an actual, potential or perceived conflict between the interests of one party and another;

"corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of any advantage, in order to influence improperly the actions of another;

"fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, another to obtain a financial or other benefit or to avoid an obligation;
The undersigned certifies/y to be duly authorized to sign this Certification on behalf of the Bidder.

Name and Position

Signature

Date

BIDDER'S INFORMATION FORM

I, the undersigned, by submitting this Proposal, hereby confirm that these instructions are accepted in full and without restriction, including the proposed ILO Contract being used for this bidding procedure and resulting contract.

1. SUBJECT	
Request for Proposal:	[N°2016-1224204]
Requirements:	

2. BID SUBMITTED BY A SINGLE ECONOMIC OPERATOR	
Bidder:	[Insert Full Name of the entity submitting a bid]

3. BIDDER INFORMATION ¹	
Corporate Name:	
Legal Status:	
Authorised Capital:	
Headquarters Address:	
Place of Business Address:	
Telephone:	
Fax:	
Trade Registered N°:	
VAT N°:	
UNGM Registration N°: ²	
Date established:	
Permanent Workforce:	
Number of Secondary Offices:	
Names of Main Managerial Staff:	1) 2) 3)
Names and Job Positions of Person Authorized to represent the Company:	1) 2) 3)
Certification (if any):	
Accreditation (if any):	[Type and Validity]

Turnover, Net Income for the past Three Financial Years:				
[Currency]	Year 1 [i.e. 2013]	Year 2 [i.e. 2014]	Year 3 [i.e. 2015]	Average
Turnover				
Net Income (+/-)				
Comments				

¹ This information shall be provided by **each** member of the consortium and any subcontractor(s).

² Bidders not yet registered with UNGM are encouraged to do so as soon as possible. More information on the registration process are available at <https://www.ungm.org/Vendor/Registration>



ANNEX II-C

4. SUMMARY OF WORK DISTRIBUTION			
	Name	Scope of Work/Tasks/Sub-Tasks	% of the Proposal Price
[Bidder]			
[if applicable]			
[Sub-contractor]			
[Sub-contractor]			
[Sub-contractor]			

5. MANDATORY DOCUMENTS
As requested in Annex I, Instructions to Bidders, paragraph 3.1.1 b): Bidder's Information Form, the following documents are attached to this form: a) Certificate(s) conforming that obligations relating to the payment of social security contributions and/or the payment of taxes in accordance with the legal provisions of the country in which the Bidder is established have been fulfilled; b) The proof of declaration and payment of taxes, fees and social security contributions by the Bidder should indicate the state of affairs at the end of the previous fiscal year, bearing the statement "certified true copy", the date and the signature of a person authorized to represent the company; c) A copy of the last three financial statements by the Bidder, certified by independent auditors.

COMPANY STAMP

Signature:

Name:

Position:

Tel/Fax:

E-mail:

Date:

**RECENT REFERENCES
RELEVANT EXPERIENCE WITHIN THE PAST FIVE YEARS**

Each Bidder will provide, in the sample table below, the reference information of at least three (3) projects carried out by it which are of a similar nature to that which will arise from this RFP. The information must include as a minimum:

- Client name, location, and date of execution;
- Description of project and specifically the work done by the Bidder in the project;
- The Contract value;
- Contact details for checking references.

	Client Name, Location, and Date of Execution	Description of the Project and the Work performed	Contract Value (Currency)	Contact Details for Reference Check
1				
2				
3				

Bidders are reminded that the references provided may be checked and the outcome of their feedback taken in consideration during the technical evaluation. Bidders must ensure that the provided contact details of the proposed referees are complete, detailed and updated.

TECHNICAL PROPOSAL

TO BE RETURNED ON BIDDER'S LETTERHEAD

- i. The Bidder shall use Annex II-E to describe how it intends to meet the requirements described in the RFP documents and in particular the Terms of Reference provided in Annex III.
- ii. In preparing its Proposal the Bidder shall review all RFP requirements, including any document referred to in the RFP, and will reflect its understanding of and approach to meeting these requirements in the Proposal.
- iii. In preparing the Technical Proposal, the Bidder shall provide details of the proposed project methodology and implementation and management plan as well as the CVs of key personnel which will contribute to the project.
- iv. The Bidder may also include in this Annex other documents and information to demonstrate its technical and professional capacities and competencies to fulfill the requirements of the Terms of Reference.

FINANCIAL OFFER

TO BE RETURNED ON BIDDER'S LETTERHEAD

Having examined this Request for Proposal including its Annexes, and having examined all conditions and factors which might in any way affect the cost or time of performance thereof, we, the undersigned, offer to execute and complete the Works or the Services, in accordance with the Terms and Conditions applicable to ILO Contracts for Services for the following Total Contract Price, net of any direct taxes or customs duties and other import taxes:

Task	Description	Lump Sum in US \$ (Excluding VAT)
1		
2		
3		
TOTAL		

Attached to this Annex is the proposed cost breakdown for each of the above tasks.

Additional Services

Compensation for any additional services to this RFP shall be calculated on the basis of the rates below:

Position	Rate per day in US \$		
	Based at Contractor's Office	Based at ILO	Visiting ILO (<6 consecutive days)
[Insert Title]			
[Insert Title]			
[Insert Title]			
Comments			

COMPANY STAMP

Signature:

Name:

Position:

Tel/Fax:

E-mail:

Date:

TERMS OF REFERENCE

Annex III Terms of Reference

Feasibility study on extension of Social Security coverage to smallholder farmers and casual agriculture workers in the informal economy in Zambia

1. Background

Context

In Zambia as in most low middle income countries, the informal economy is the base of the economy and contributes a significant share of the GDP. According to the latest Labour Force Survey results, in 2014 in Zambia, out of the 5.85 million employed persons, 89.3 percent were informally employed (5,229,599), compared to 11.6% in the formal economy. The informally employed workers are predominantly in the agriculture, forestry and fishery industry (53.8%), are household employees (19.5%) or work in the trade, wholesale and retail distribution (12.6%). All together these three industries make up 85.8 percent of the informally employed workers in Zambia. However informal workers are found in all industries, including public administration (0.1%).

The number of informally employed workers and its share in total employment are growing (+ 360,000 workers i.e + 7% compared to 2012, LFS). A considerable and increasing number of workers therefore remains outside regulated economic activities and protected employment relationships. Informal employment is generally associated with poor working conditions, poverty and absence of social protection. Social security in Zambia is confined to the formal sector employees. The majority of the labour force is left unprotected from long and short -term risks due to lack of access to existing social security schemes.

The Government of Zambia commenced the process to reform the social security system to provide for comprehensive social security coverage. Extension of social security to workers in the informal economy is one of the objectives of the current social security reforms, and policy measures for extension of contributory social insurance to workers in the informal economy are included in the National Social Protection Policy (NSPP) approved in 2014. The government constituted a Technical Working Group (TWG) on the Extension of Social Security to the Informal Economy comprising government agencies (including the National Pension Scheme Authority, NAPSA), key sector players, employers, workers and civil society organizations. The TWG was tasked with overseeing the analysis, elaboration and testing of models for extension of social security to the informal economy. In collaboration with the Zambia Green Jobs Programme (ZGJP), the National Pension Scheme Authority (NAPSA) and Workers Compensation Fund Control Board (WCFCB) have implemented practical tools and strategies appropriate for extension of social security among MSMEs employers and workers in the construction sector. During the year 2015 four studies were also conducted by the ILO to assess options for the expansion of social security to informal workers including the domestic workers, small holder farmers, saw milling industry and construction workers. The stakeholders' symposium held in December 2015 culminated in dialogue on concrete models for social security schemes for the informal economy. Lessons learnt from the studies together with key highlights from tripartite discussions have informed the establishment of a more structured approach to extension of social security to the informal economy. The TWG has endorsed

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a “universal approach” rather than piecemeal and fragmented solutions to extension of social protection to informal economy, which includes designing and implementation of integrated social insurance approaches tailored to the needs of the informal economy, and specific sectors.

The National Pension Scheme Authority is committed to extending social security to the informal economy. At present, NAPSA is collecting contributions from 685,000 members and paying old-age benefits to 14,000 pensioners, which represents only 11.7% of the total employed population and 2.5% of the population aged 60 and above in Zambia. Covering a larger share of the population therefore implies to extend coverage to workers in the informal economy.

To this purpose, NAPSA has elaborated a strategy to respond to informal workers’ needs for social security while overcoming actual barriers to accessing social security. In support to NAPSA, the ILO has elaborated a recommendations report, which provides advice on design elements (including benefit package membership rules), options for delivery mechanisms as well as financial and legal considerations.

NAPSA’s strategy for extension of Social security to the informal economy workers.

In line with the “universal approach” to extension of social protection to workers in the informal economy adopted by the Technical Working Group (TWG) NAPSA ambitions to design a general approach, which can be adapted to specific sectors’ needs and characteristics of the informal economy.

One of the key feature of the strategy is to offer an innovative and attractive benefit package, where tailored old-age benefits will be coupled with short terms social security benefits (e.g. health) and other incentives and services (e.g. access to credit). The design of the benefit package will be guided by the target group’s preferences, as well as key principles of attractiveness (mix of benefits, portability and flexibility), feasibility (availability of quality services) and affordability. It will also pay special attention to mechanisms that will not create disincentives to formalization. The extension of coverage to workers in the informal economy should not create a dual system – one for formal employees, the other for the informal workers, as this may encourage informal employment arrangements. Instead, mechanisms to facilitate coverage for the extension of coverage should in principle apply to workers in both the formal and informal economy, based on common criteria. For example, lower or subsidized contribution rates should be linked to the contributory capacity of the worker, not his/her formality/informality status. The lowering /subsidization of contribution rates could correspond to lower benefit levels so as to maintain incentives to achieve higher levels of protection via higher contributions.

Acknowledging that the current NAPSA rules and mechanisms related to registration, collection of contributions and benefits claims are not adapted to the informal economy workers’ employment arrangements, income levels and patterns, and relative geographic isolation from services, NAPSA is considering developing innovative models of delivery. The core strategy is to partnering with existing medium and large scale organizations, which are already providing services to the informal workers, such as out-growers schemes or micro-credit institutions, and could work as aggregators. Moreover, mobile money and mobile devices solutions are seen as efficient

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medium to make registration and contribution collection possible even in remote places and at a reasonable cost.

The sectors of employment representing a significant share of workers, sufficiently organized, and for which knowledge on opportunities and challenges for extension is sound enough will be given priority. The rationale is to focus efforts on understanding and servicing one sector first, and then build on the lessons learnt to extend social security coverage to other sectors using the expertise gained. One sector of focus is the agriculture sector. The rationale of prioritizing small-scale farmers for this study is twofold: (i) the number of small-scale farmers in Zambia is significant; although the exact number remains unknown, there is indication that there are 1.5 million small scale farms in Zambia ; over 80 percent of the rural population depends on agriculture-related activities for their livelihood ; and informally employed workers are predominantly in the agriculture, forestry and fishery industry (53.8 percent); (ii) various forms of organizations of small-scale farmers exist, which NAPSA could establish partnership with in order to put in place cost-effective coverage mechanisms. Other groups such as construction workers and domestic workers are also being considered.

2. Objective of the Assignment

The present study aims at assessing the technical, financial and institutional feasibility of development and implementation of an innovative model to extend social security coverage to small scale farmers based on the key features of the NAPSA strategy. The feasibility study will provide recommendations to finalize the design of the new model considering alternative institutional arrangements and capacities as well as implementation modalities.

3. Scope of work

The consultant is expected to undertake the following tasks:

- a) Based on existing legal dispensation and survey /empirical data, map the needs for social security coverage and gaps/risk priorities amongst small scale farmers and casual (or a breakdown of these in different sub sectors)
- b) Based on existing information and evidence on needs and demand for social security, arising from discussion with key stakeholders and in line with the principles of feasibility, attractiveness, adequacy and affordability, design and cost two or three options of benefit packages (benefits and contribution level)
- c) Determine needs for co-financing and possible financing sources and modalities, with the objective to ensure financial sustainability & broad coverage
- d) Provide actuarially based projections on financial sustainability
- e) Based on good practices from international experience, provide advice on rules governing (i) registration, including aspects related to mandatory vs voluntary registration, individual vs household/group registration, windows of registration and contributions if any; (ii) coverage of dependents; (iii) payments, including period and periodicity of contribution

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payment and (iv) access to benefits (including waiting period and other conditions);

f) Assess small scale farmers' and casual workers preference for benefit packages and associated rules, measure their willingness and capacity to pay and refine the benefit package and contribution level accordingly

g) Propose alternative institutional and operational modalities for

a. contribution base for self-employed workers and casual workers whose earnings are difficult to measure and advise on forms of compliance

b. the management/flow of resources captured through the contributions and subsidies - if appropriate - including financial pooling arrangements

h) Formulate recommendations to ensure maximum compliance amongst small scale farmers and casual workers

i) Assess opportunity and feasibility of establishing partnerships with selected partners (including selected out-grower schemes, Natsave, Food Reserve Agency, Mobile Money operators) for the distribution of the product, and determine possible roles of partners and conditions of the partnership (incl. financing arrangements)

j) Propose possible institutional and operational arrangements for registration of small scale farmers and casual workers, contribution collection, benefit claims, awareness raising, complaints mechanisms and enforcement, keeping in mind the need for harmonization and reduction of administrative costs both from beneficiaries and service providers

k) Assess current institutional capacity and compatibility of the establishment of the model with existing legislative framework on Social security and with existing social security mechanisms/procedures

l) Outline main challenges and key conditions of success

4. Methodology

The consultant is expected to conduct a thorough literature review of relevant international experience and recent Zambia-specific documentation.

The consultant is also expected to use a mix of data collection methods to gather primary and secondary data. The consultant will conduct in-depth individual interviews with a broad range of stakeholders, including social security institutions, line ministries, private sector actors (including but not limited to out growers scheme, micro-finance institutions, mobile money operators), employers, agriculture organizations (such as the Food Reserve Agency and cooperatives) and cooperating partners. Focus group discussions will be conducted with targeted beneficiaries to assess their preference of benefit packages. The consultant will select a method to measure the willingness and capacity to pay that has been already been tested and proved relevant in similar context.

The consultant is expected to provide detailed results of an actuarial analysis, including costing of benefit packages options, contribution level and co-financing if relevant.

Finally the consultant is expected to report to the ILO, NAPSA and MLSS at each key step of the study in order to provide information on progress made

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and for the ILO/NAPSA/MLSS to provide steering assistance and guidance on the following steps.

The methodology is to be developed by the candidate in submitted proposal.

5. Expected Deliverables

The consultant is expected to produce the following deliverables:

- a) Inception report, including proposed methodology and expected timeline
- b) Draft report
- c) Power point presentation of the preliminary findings and recommendations to key stakeholders and partners
- d) Final report covering the full scope of work
- e) Five pager policy brief summarizing key elements of technical, financial and institutional feasibility

The final report is expected no later than mid-December 2016.

6. ILO/NAPSA Responsibilities

The ILO will facilitate access to partners and relevant documentation.

The ILO/MLSS/NAPSA will supervise progress of the assignment and will provide guidance.

The FAO will also provide technical inputs to the study

7. Duration

The duration of the consultancy is 80 days effective from the date of signing the contract.

8. Reporting

The consultant will report to the Chief Technical Adviser on Social Security for the ILO Country Office in Lusaka who will liaise with the National Pension Scheme Authority and the MoLSS Department of Social Security.

9. Fee and payments

ILO terms and conditions shall apply to the payment of full fees of this assignment based on the consultant's background and experience

The payment schedule for the above mentioned assignments will be as follows:

- 20% of the consultancy fee to be paid upon reception and approval by the ILO of Product a)
- 40% upon reception and approval by the ILO of Products b) and c)
- 40% upon reception and approval by ILO of Products d) and e)

10. Consultant's Profile

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The contract will be awarded to a team of consultants or a firm with the following qualifications:

- University level academic qualifications in actuarial studies, social protection, economics, international development, or other relevant fields, or equivalent in experience.
- At least 8 years of demonstrated experiences of relevant work on similar assignments
- Experience and knowledge of working on social security in the informal sector in developing countries
- Record of proven expertise with actuarial studies
- Good report writing and communication skills
- Excellent command of English, both written and spoken

**TERMS AND CONDITIONS APPLICABLE TO ILO CONTRACTS
FOR SERVICES**

1. THE PARTIES

- 1.1. LEGAL STATUS OF THE PARTIES:** The International Labour Organization, represented by the International Labour Office (ILO), and the Contractor (referred to individually as a "Party" and together as the "Parties") have the following legal status:
- 1.1.1. The International Labour Organization has full juridical personality, including the ability to contract and enjoys such privileges and immunities as are necessary for the independent fulfilment of its purposes pursuant to the *Constitution of the International Labour Organisation*. Nothing in or related to the Contract will be deemed a waiver of any of the privileges and immunities of the International Labour Organization recognized in the Convention on the Privileges and Immunities of the Specialized Agencies (1947), and relevant national and international law.
 - 1.1.2. The Contractor is an independent contractor. Nothing contained in or relating to the Contract will be construed as establishing or creating between the Parties the relationship of employer and employee or of principal and agent.

2. CONTRACT DOCUMENTS AND VALIDITY

- 2.1. NATURE OF THE CONTRACT:**
- 2.1.1. The Contract constitutes the complete and exclusive agreement between the Parties. It supersedes all proposals, verbal or written arrangements or agreements, and any other communications by one of the Parties or between the Parties relating to the Contract.
 - 2.1.2. The Contract is composed of the following documents listed in their order of precedence:
 - 2.1.2.1. **Purchase Order/Contract Document**, including any specific conditions;
 - 2.1.2.2. Terms and Conditions applicable to ILO Contracts for Services (**Annex 1**); and
 - 2.1.2.3. Any other document explicitly listed in the Purchase Order/Contract Document and attached to it (i.e., **Annex 2, 3**, etc).
 - 2.1.3. Unless otherwise included in any of the documents listed in paragraph **2.1.2.**, the terms of business, conditions of contract, general reservations published or issued by the Contractor or written in any correspondence or documents emanating from the Contractor will not form part of the Contract.
- 2.2. VALIDITY:** The Contract will expire upon fulfilment by the Parties of their respective obligations or otherwise in accordance with its provisions.
- 2.3. NON-EXCLUSIVITY:** The ILO may contract for works or services (referred together to as "**Services**") of the same or similar kind and quality described in the Contract from any other source at any time.
- 2.4. COMMUNICATIONS:** Communications (e.g., notices, documents) will be addressed to:

INTERNATIONAL LABOUR OFFICE
Procurement Bureau (PROCUREMENT)
4 Route des Morillons
CH 1211 Geneva 22
Switzerland
Facsimile: + (41)(22) 798 85 29
Phone: + (41)(22) 799 76 02
e-mail: procurement@ilo.org

3. PRICE AND PAYMENT

- 3.1. PRICE AND CURRENCY:** The price and currency specified in the Contractor's offer are firm and not subject to revision. The ILO's financial liability under the Contract is restricted to the price and currency indicated in the Purchase Order/Contract Document.



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- 3.2. **PAYMENT:** Upon receipt of the Contractor's written invoice and any related supporting documentation, the ILO will effect payment, normally within thirty (30) days, by bank transfer (the ILO will not pay through letters of credit or bank draft). The written invoice will be sent to the addressee specified in the Purchase Order/Contract Document and will contain the:
- 3.2.1. number of the Purchase Order/Contract Document that it relates to;
 - 3.2.2. invoiced amount (without the rounding of currency decimals and exclusive of VAT, duties or charges); and
 - 3.2.3. date of the completion of Services.
- In no event will complete or partial payment by the ILO, in and of itself, constitute acceptance of the Services.
- 3.3. **TAX EXEMPTION:** The International Labour Organization, as a United Nations Specialized Agency, enjoys a special tax status in Switzerland and in other member States. Except with the prior written authorization of the ILO, invoices will be submitted exclusive of any amount representing taxes (including value added tax), duties or charges. Where such authorization has been provided, the Contractor will provide the ILO with written evidence that payment of such taxes, duties or charges has been made. In the event any government authority refuses to recognize the ILO's exemption from such taxes, duties or charges, the Contractor will immediately consult with the ILO to determine a mutually acceptable procedure.

4. PERFORMANCE

- 4.1. **ITEMS FURNISHED BY THE CONTRACTOR:** The Contractor is solely responsible for the arrangement, provision and operation of all equipment, supplies, related support services and personnel (including any related costs so incurred) necessary for the performance of the Contractor's obligations under the Contract.
- 4.2. **ITEMS FURNISHED BY THE ILO TO THE CONTRACTOR:** Where goods and equipment (referred together as "Goods") are funded or provided by the ILO to the Contractor to support the performance of the Contractor's obligations under the Contract, the following terms apply:
- 4.2.1. The Contractor acknowledges and agrees that the ILO hereby disclaims any and all warranties regarding the functionality or installation of such Goods. The Contractor is solely responsible for the installation (including any personnel, tools, materials or other Goods necessary for installation), maintenance and functioning of all the Goods funded or provided by the ILO under the Contract.
 - 4.2.2. The Contractor will promptly report to the ILO each loss, damage or theft of such Goods.
 - 4.2.3. Title to the Goods that may be funded or provided by the ILO to the Contractor will be retained by the ILO. The Contractor will not cause or permit any lien, claim or other encumbrance to be attached to any or all such Goods, or to any other item that is the subject matter of the Contract.
 - 4.2.4. Upon the termination or expiration of the Contract, all such Goods will be returned to the ILO in the same condition as when delivered to the Contractor, excluding normal wear and tear. The return of such Goods, or other disposal as the ILO may direct, will be at the Contractor's expense. Upon termination or expiration of the Contract, the Contractor will take all reasonable measures to avoid any loss of or deterioration to such Goods. The Contractor will compensate the ILO for actual costs of any loss of, damage to or deterioration of such Goods that is beyond normal wear and tear.
- 4.3. **INSTALLATION, MAINTENANCE, TRAINING:** Where installation, maintenance (ongoing or as specified in the Purchase Order/Contract Document) or training is required, the following terms apply:
- 4.3.1. The Contractor, in a timely manner, will arrange for and provide all equipment, supplies, related support services and personnel necessary to complete the installation, maintenance or training.
 - 4.3.2. All costs related to the installation, maintenance or training will be borne by the Contractor.
 - 4.3.3. The ILO and the Consignee will be permitted to monitor the installation or maintenance work, as well as to oversee the training.



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- 4.3.4. In addition, where training is required the Contractor will train any persons identified by ILO or the Consignee in the installation, operation, maintenance, etc. of the Services described in the Contract.
- 4.4. **ACCESS:** If some or all of the contractual obligations will be performed on ILO premises, the ILO will facilitate access to its premises in line with requirements for such performance. The Contractor will comply with ILO security requirements and any other relevant ILO rules, regulations and guidelines while on ILO premises, as well as with the instructions given by designated ILO officials.
- 4.5. **RESPONSIBILITY FOR PERSONNEL:**
- 4.5.1. The employees, officials, representatives, staff or subcontractors (**Personnel**) of either of the Parties will not be considered in any respect as being the employees or agents of the other Party.
- 4.5.2. Each Party is solely responsible for the professional and technical competence of its respective Personnel, which will permit that Party to effectively perform its obligations under the Contract.
- 4.5.3. Without prejudice to any other right or remedy available under the Contract, the ILO reserves the right to request at any time, in writing, the withdrawal or replacement of any of the Contractor's Personnel and such request will not be unreasonably refused by the Contractor.
- 4.5.4. Each Party is solely responsible for all claims arising out of or relating to the engagement of its respective Personnel.
- 4.5.5. All expenditures related to the assignment of the Contractor's Personnel, including allowances, insurance, cost of travel arrangements and local transport will be borne by the Contractor. All expenditures related to the assignment of the ILO's Personnel, including allowances, insurance, cost of travel arrangements and local transport will be borne by the ILO.
- 4.6. **INSURANCE:**
- 4.6.1. The Contractor, for the duration of the Contract, any extension thereof or any period following any termination of the Contract and reasonably adequate to deal with losses, will insure its Personnel against the consequences of the following risks:
- 4.6.1.1. illness, injury and death; and
- 4.6.1.2. incapacity to work due to accident and sickness either during normal working hours or outside working hours.
- 4.6.2. Time lost as a result of the occurrence of the risks identified in subparagraphs 4.6.1.1 or 4.6.1.2 will not be chargeable to the ILO.
- 4.6.3. The Contractor for the duration of the Contract, any extension thereof or any period following any termination of the Contract and reasonably adequate to deal with losses, warrants that it is insured with a coverage for a sufficient amount for the use of any vehicles, boats, airplanes or other transportation vehicles and equipment, whether or not owned by the Contractor, as well as that it carries comprehensive civil liability insurance with regard to third-parties, including the ILO and its Personnel, in respect of physical injury, damage to property or theft, as well as the direct or indirect effects thereof, including the unavailability of premises and loss of production.
- 4.6.4. Where required by the ILO and as specified in the Purchase Order/Contract Document (except for the workers' compensation insurance or any self-insurance program maintained by the Contractor and approved by the ILO), the Contractor's insurance policies will:
- 4.6.4.1. name the ILO as an additional insured under the liability policy/policies, including, if required, as a separate endorsement under the Contractor's policy/policies;
- 4.6.4.2. include a waiver of subrogation of the Contractor's insurance carrier's rights against the ILO; and
- 4.6.4.3. provide that the ILO will receive written notice from the Contractor's insurance carrier not less than thirty (30) days prior to any cancellation or material change of coverage.
- 4.6.5. The Contractor will take out any other insurance required by the ILO and as specified in the Purchase Order/Contract Document.

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- 4.6.6. Upon written request by the ILO, the Contractor will provide the ILO with a copy of the general and specific conditions of the insurance policy/policies required under the Contract.

4.7. INDEMNIFICATION:

- 4.7.1. The Contractor is solely responsible for any claim or damage resulting from the negligence, acts, or omissions of its Personnel.
- 4.7.2. The Contractor will indemnify and hold the ILO harmless from and against any direct or indirect responsibilities, complaints, claims (including intellectual property rights infringement), suits, judgments, damages and losses, including costs, fees and related expenses, in respect of any physical injury, damage to property, theft, or economic or other prejudice suffered by the ILO, its Personnel or third-parties which may result from the performance of the Contractor's obligations under the Contract or the Contractor's acts or omissions or those of the Contractor's Personnel.
- 4.7.3. The Contractor will immediately notify the ILO upon becoming aware of any direct or indirect responsibilities, complaints, claims (including intellectual property rights infringement), suits, judgments, damages and losses, including costs, fees and related expenses, in respect of any physical injury, damage to property, theft, or economic or other prejudice suffered by the ILO or which could adversely affect the ILO.

5. ASSIGNMENT AND SUBCONTRACTING

- 5.1. **ASSIGNMENT:** The Contractor may not assign, transfer, pledge or make any other disposition of the Contract, of any part of the Contract, or of any of the rights, claims or obligations under the Contract except with the prior written authorization of the ILO. Any such unauthorized assignment, transfer, pledge or other disposition, or any attempt to do so, will not be binding on the ILO.
- 5.2. **SUBCONTRACTING:** In the event that the Contractor requires the services of any subcontractor, the Contractor will obtain the prior written authorization to subcontract and the approval of the ILO of the subcontractor selected. The authorization and approval by the ILO of such a subcontractor does not relieve the Contractor of any of its obligations under the Contract and the Contractor is solely responsible for the Services provided by a subcontractor in the framework of the Contract, including their quality. The Contractor, to the same extent as for its own Personnel, will be liable for a subcontractor and its Personnel who are performing any part of the Contractor's obligations under the Contract. The terms of any subcontract will be subject to and be in conformity with the provisions of the Contract. Except with the prior written authorization to subcontract and the approval of the ILO of the subcontractor selected, the Contractor will ensure that its subcontractor(s) do not subcontract, assign, transfer, pledge or make any other disposition of the Contract, of any part of the Contract, or of any of the rights, claims or obligations under the Contract. The provisions of this paragraph apply to any subcontractor who, in turn, requires the services of a subcontractor.

6. INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY

6.1. PROPRIETARY ITEMS AND INTELLECTUAL PROPERTY RIGHTS:

- 6.1.1. All documents (including drawings, estimates, manuscripts, maps, plans, records, reports, recommendations) and other proprietary items (including data, devices, gauges, jigs, mosaics, parts, patterns, photographs, samples, and software) (jointly referred to as **Proprietary Items**), either developed by the Contractor or its Personnel in connection with the Contract or furnished to the Contractor by or on behalf of the ILO to support the performance of the Contractor's obligations under the Contract, are the exclusive property of the International Labour Organization; and, will be used by the Contractor and its Personnel solely for the purposes of the Contract.
- 6.1.2. All intellectual property rights and all other proprietary rights (including copyrights, patents, trademarks, source codes, products, processes, inventions, ideas, know-how) with regard to any materials (jointly referred to as **Intellectual Property**), either developed by the Contractor or its Personnel in connection with the Contract or furnished to the Contractor by or on behalf of the ILO to support the performance of the Contractor's obligations under the Contract, are the exclusive



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- property of the International Labour Organization; and, will be used by the Contractor and its Personnel solely for the purposes of the Contract.
- 6.1.3. During the course of development, Proprietary Items and Intellectual Property developed or utilized by or furnished to the Contractor will be made available for use and inspection by the ILO, upon request at reasonable times and in reasonable places.
- 6.1.4. Such Proprietary Items and Intellectual Property will be delivered only to ILO authorized officials on completion of the Contract.
- 6.1.5. The Contractor will disclose, throughout its performance, to the ILO's authorized officials full particulars of all source codes, products, processes, inventions, ideas, know-how, documents and any other materials developed or conceived by the Contractor, alone or jointly, in connection with the Contract.
- 6.1.6. At the request of the ILO, the Contractor will take all necessary steps to execute all necessary documents and generally assist the ILO in securing intellectual property rights and all other proprietary rights in compliance with the requirements of applicable law.
- 6.1.7. To the extent that any Intellectual Property due to the ILO under paragraph 6.1.2 includes any intellectual property:
- 6.1.7.1. of the Contractor that: (i) pre-existed the performance by the Contractor of its obligations under the Contract; or (ii) it may develop or acquire, or that may have been developed or acquired, independently of the performance of the Contractor's obligations under the Contract; or
- 6.1.7.2. of a third-party;
- the Contractor grants to the International Labour Organization a perpetual, royalty-free license to make unrestricted use of such intellectual property. The International Labour Organization will not claim any ownership interest in the intellectual property described in subparagraphs 6.1.7.1 or 6.1.7.2.
- 6.1.8. The Contractor undertakes to obtain, at its own expense, permission to use any third-party protected rights that are necessary for the performance of the Contract and, if requested, provide the ILO with evidence of such permission.
- 6.1.9. In the event that any Proprietary Items or Intellectual Property provided to the ILO by the Contractor are for some reason enjoined or found to infringe any rights of a third-party, or in the event of a settlement, are enjoined, limited or otherwise interfered with, then the Contractor, at its sole cost and expense, will promptly:
- 6.1.9.1. procure for the ILO the unrestricted right to continue using such Proprietary Items and Intellectual Property provided to the ILO;
- 6.1.9.2. replace or modify the Proprietary Items and Intellectual Property provided to the ILO, or part thereof, with the equivalent or better Proprietary Items and Intellectual Property, or part thereof, that are non-infringing; or,
- 6.1.9.3. refund to the ILO the full price paid by the ILO for the right to have or use such Proprietary Items and Intellectual Property or part thereof.

6.2. CONFIDENTIAL NATURE OF AND RESPONSIBILITY FOR PROPRIETARY ITEMS, INTELLECTUAL PROPERTY AND OTHER INFORMATION:

- 6.2.1. Unless otherwise made public with the authorization of the ILO, Proprietary Items, Intellectual Property and other information, irrespective of what form they are, developed, collected, known, marked or received by the Contractor, will be treated by the Contractor as confidential and be used only for the purposes of the Contract.
- 6.2.2. The Contractor will not communicate at any time to any other person, government or entity external to the ILO, any Proprietary Items, Intellectual Property or other information known by reason of its association with the ILO, which has not been made public, except with the authorization of the ILO; nor will the Contractor at any time use such information for private advantage or in any manner prejudicial to or incompatible with the interests of the ILO. Where the Contractor is required by law to disclose such Proprietary Items, Intellectual Property or other information, it will give the ILO sufficient prior notice of the request to disclose in order to allow the ILO to have a reasonable

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- opportunity to take protective measures or such other action as may be appropriate.
- 6.2.3. The Contractor will be responsible for such Proprietary Items, Intellectual Property and other information. In case of loss of or damage to any Proprietary Items, Intellectual Property or other information the Contractor may be required to:
- 6.2.3.1. replace or repair the lost or damaged Proprietary Items, Intellectual Property or other information; or
- 6.2.3.2. provide compensation to the ILO for the cost of replacing or repairing the lost or damaged Proprietary Items, Intellectual Property or other information.
- 6.3. PUBLICITY AND USE OF THE NAME, EMBLEM OR OFFICIAL SEAL:**
- 6.3.1. The Contractor may neither disclose the terms and conditions of the Contract nor advertise or otherwise make public the fact that it is a Contractor to the ILO.
- 6.3.2. The Contractor may not use or reproduce the name, emblem or the official seal of the International Labour Organization or of the International Labour Office, including their abbreviations, in connection with the Contractor's business or otherwise.
- 6.3.3. In reporting its procurement activities, the ILO may publish (e.g., on the internet) the Contractor's name and amount of the Contract.

7. ETHICAL CONDUCT

- 7.1. LABOUR CLAUSES:** The Contractor undertakes to respect, at all times and in all circumstances relevant to the performance of the Contract and in relation to all its Personnel, and to ensure that its subcontractors respect:
- 7.1.1. The following principles concerning international labour standards of the International Labour Organization:
- 7.1.1.1. the freely-exercised right of workers, without distinction, to organize, further and defend their interests and to bargain collectively, as well as the protection of those workers from any action or other form of discrimination related to the exercise of their right to organize, to carry out trade union activities and to bargain collectively;
- 7.1.1.2. the prohibition of forced or compulsory labour in all its forms;
- 7.1.1.3. equal remuneration for men and women for work of equal value;
- 7.1.1.4. equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognized under the national law of the country or countries where the performance, in whole or in part, of the Contract takes place;
- 7.1.1.5. the prohibition of the employment of children below fourteen (14) years of age or, if higher than fourteen (14), the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of the Contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher;
- 7.1.1.6. the prohibition of the employment of persons under the age of eighteen (18) for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons;
- 7.1.1.7. the payment of wages in legal tender, at regular intervals no longer than one month, in full and directly to the workers concerned. The Contractor shall keep an appropriate record of such payments. Deductions from wages are permitted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and the workers concerned must be informed of such deductions at the time of each payment.
- 7.1.1.8. the provision of wages, hours of work and other conditions of work not less favourable than the best conditions prevailing locally (i.e., as contained in: (i) collective agreements covering a substantial proportion of employers and workers; (ii) arbitration awards; or, (iii) applicable laws or regulations, whichever offers the best working conditions), for work of the same character performed

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- in the trade or industry concerned in the area where work is carried out;
- 7.1.1.9. the need to ensure, so far as is reasonably practicable, that the workplaces, machinery, equipment and processes under their control are safe and without risk to health, and that the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and provide, where necessary, adequate protective clothing and protective equipment to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health; and
- 7.1.2. All applicable laws or regulations concerning terms of employment and conditions of work, any collective agreements to which it is party, or any other related measure with which it must comply.
- 7.2. PERSONNEL NOT TO BENEFIT:**
- 7.2.1. The ILO requires bidders and contractors to observe the highest ethical standards during the procurement process and the execution of contracts. In order to ensure the respect of these obligations, the ILO provides the following definitions:
- 7.2.1.1. "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, another to obtain a financial or other benefit or to avoid an obligation;
- 7.2.1.2. "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of any advantage, in order to influence improperly the actions of another;
- 7.2.1.3. "conflict of interest" is a situation that gives rise to an actual, potential or perceived conflict between the interests of one party and another;
- 7.2.1.4. "collusive practice" is any conduct or arrangement between two or more bidders or contractors, designed to achieve an improper purpose, including to influence improperly the actions of another or to set prices at an artificial level or in a non-competitive manner;
- 7.2.1.5. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, another or the property of another to influence improperly the actions of another.
- 7.2.2. The Contractor will not (and will ensure that its Personnel do not) place itself in a position that may, or does, give rise to a conflict between its interests and the ILO's interests during the procurement process or the execution of the Contract.
- 7.2.3. If during any stage of the procurement process a conflict of interest arose or during contract execution a conflict of interest arises, or appears likely to arise, the Contractor will immediately notify the ILO in writing, setting out all relevant details, including any situation in which the interests of the Contractor conflict with the interests of the ILO, or in any situation in which any ILO official, employee or person under contract with the ILO may have, or appears to have, an interest of any kind in the Contractor's business or any kind of economic or personal ties with the Contractor. The Contractor will take such steps as the ILO may reasonably require to resolve or otherwise deal with the conflict to the satisfaction of the ILO.
- 7.2.4. Without prejudice to any other right or remedy available under the Contract, the ILO reserves the right to disqualify the Contractor for a specified or indefinite period from participating in the procurement process of the ILO or contracting with the ILO, if it is shown that the Contractor has, directly or indirectly, employed fraudulent, corrupt, collusive or coercive practices or failed to disclose a conflict of interest.

8. FULL DISCLOSURE

- 8.1. FULL DISCLOSURE:** The Contractor warrants that it has made and will make full and proper disclosure to the ILO of all relevant information relating to its business activities, financial condition and ownership, prior to entering into this Contract and for its duration, including that it is not identified



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on or associated with⁴ any individual, groups, undertakings and entities identified on the list established by the United Nations Security Council Resolution 1267 (**1267 Consolidated List**)⁵; and that it is not, nor has been, subject to any sanction or temporary suspension imposed by any organization within the United Nations System including the World Bank.

9. DELAY, FORCE MAJEURE AND LIQUIDATED DAMAGES

9.1. DELAY:

- 9.1.1. Should the Contractor encounter conditions that do not constitute *Force majeure* and which impede or are likely to impede timely performance of the Contract (**Delay**), the Contractor will immediately notify the ILO in writing with full particulars of the Delay, including its likely duration, and its cause. At the ILO's request, the Contractor and the ILO will consult as soon as practicable after receipt of such notice, to evaluate any available means of mitigation or appropriate remedies provided under the Contract.
- 9.1.2. In addition to any other right or remedy available under the Contract, upon receiving notice of Contractor's Delay (or likely Delay) in performance, the ILO will have the right to:
 - 9.1.2.1. suspend the Contract, in whole or in part, and notify the Contractor not to proceed further with its performance which has been subject to (or will be subject to) Delay;
 - 9.1.2.2. withhold and/or deduct payment to the Contractor for the portion of the Contract subject to Delay; and
 - 9.1.2.3. procure all or part of the Services which the Contractor fails to provide in a timely manner.
- 9.1.3. Without prejudice to any other right or remedy available under the Contract, the Contractor will be liable for any increase in the price payable by the ILO resulting from the procurement of the Services from other sources and the ILO may apply such additional costs incurred, by deduction or otherwise, against future amounts owed by the ILO to the Contractor.
- 9.1.4. Upon receipt of notice of any decision by the ILO to suspend the Contract under subparagraph 9.1.2.1 and with respect to the suspended portion of the Contract, the Contractor will take immediate steps to reduce expenses to a minimum and will not undertake any further obligations; provided, however, that the ILO and the Contractor will continue performance of the Contract to the extent that it is not suspended or cancelled.

9.2. FORCE MAJEURE:

- 9.2.1. Neither Party will be liable to the other Party for failure to perform its respective obligations, if such failure is as a result of an unforeseeable and irresistible event, act of nature (including fire, flood, earthquake, storm, hurricane, epidemic or other natural disaster), any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, or any other acts of a similar nature or force, (**Force Majeure**) provided that such acts arise from causes beyond the control and without the fault or negligence of the invoking Party.
- 9.2.2. The defaulting Party will notify, as soon as possible after the occurrence of the *Force Majeure* event, the other Party in writing with full particulars of the *Force Majeure* event, including its likely duration, the estimated expenditures that will likely be incurred for the duration of the *Force Majeure* event, and any other conditions which threaten to interfere with the defaulting Party's performance of the Contract.
- 9.2.3. Without prejudice to any other right or remedy available under the Contract, if either Party is rendered unable, in whole or in part, by reason of *Force Majeure* to perform its obligations and meet its responsibilities under the Contract and where the *Force Majeure* event exists beyond sixty (60) days then that Party will have the right to

⁴ United Nations Security Council Resolution 1617 defines "associated with" and it is available at <http://www.un.org/sc/committees/1267/resolutions.shtml>.

⁵ The 1267 Consolidated List is available at http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.



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suspend or terminate the Contract with a period of written notice of seven (7) days.

- 9.3. **NOTICE OF DELAY AND FORCE MAJEURE:** If notice is not received by a Party in accordance with paragraphs 9.1.1 or 9.2.2, the Party who fails to notify of the Delay or *Force Majeure* event will be liable for damages resulting from such non-receipt, except where the Delay or *Force Majeure* event also prevents transmission of the notice.
- 9.4. **LIQUIDATED DAMAGES:** Without prejudice to any other right or remedy available under the Contract, the Parties agree that if the Contractor breaches the Contract, including a Delay in performance of the Contractor's obligations under the Contract, it will be impractical or difficult to quantify the damages suffered by the ILO. The Parties, therefore, agree that in the event of such a breach by the Contractor, the Contractor will pay to the ILO, as liquidated damages, a sum equal to three-tenths of one (0.3) per cent of the Contract price for each day of delay until actual delivery or performance, up to a maximum of ten (10) per cent of the Contract price. Each Party acknowledges and agrees that the liquidated damages amount specified herein are intended to reasonably compensate the ILO and not intended to punish the Contractor. Without prejudice to any other right or remedy available under the Contract, the ILO reserves the right to recover such liquidated damages by deduction or otherwise, against future amounts owed by the ILO to the Contractor.

10. TERMINATION

10.1. TERMINATION BY THE ILO:

- 10.1.1. Without prejudice to any other right or remedy available under the Contract and without the authorisation of a court or any other authorisation, the ILO may terminate the Contract immediately by written notice in the event that the Contractor:
- 10.1.1.1. is found to have made any material or fraudulent misrepresentation in the making of or performance of the Contract regardless of when the misrepresentation is discovered;
 - 10.1.1.2. becomes bankrupt, otherwise insolvent, or the ILO reasonably determines that the Contractor has become subject to a materially adverse change in its financial condition that threatens to substantially affect the ability of the Contractor to perform any of its obligations under the Contract;
 - 10.1.1.3. fails to perform contractual obligations or to satisfy any guarantees or warranties it has made under the Contract and does not rectify such failure within sixty (60) days following receipt of a written notice by the ILO;
 - 10.1.1.4. is declared undesirable by the government where the Contractor is to perform any of its obligations under the Contract;
 - 10.1.1.5. is the subject of any sanction or temporary suspension imposed by any organization within the United Nations System including the World Bank; or
 - 10.1.1.6. the ILO's activities are curtailed or terminated.
- 10.1.2. Upon receipt of notice of termination by the ILO, the Contractor will take immediate steps to bring any Services to a close in a prompt and orderly manner, will reduce expenses to a minimum and will not undertake any further obligations from the date of receipt of notice of termination.
- 10.1.3. If the Contract should be terminated by the ILO, the ILO will make all payments which may be due up to the effective date of termination for any Services satisfactorily delivered or performed and accepted by the ILO.

10.2. TERMINATION BY THE CONTRACTOR:

- 10.2.1. Without prejudice to any other right or remedy available under the Contract and without the authorisation of a court or any other authorisation, the Contractor may terminate the Contract immediately by written notice in the event that the ILO:
- 10.2.1.1. fails to make payments which are due under the Contract and the ILO does not rectify such failure within a period of sixty (60) days after receipt of the Contractor's written notice of default; or
 - 10.2.1.2. fails in its contractual obligations so as to make it unreasonable for the Contractor to proceed with the performance of its obligations under the Contract and the ILO does not rectify such failure within

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a period of sixty (60) days after receipt of the Contractor's written notice of default.

11. WARRANTY

11.1. WARRANTY OF SERVICES:

- 11.1.1. The Contractor warrants that any Services provided in accordance with the Contract will meet the specifications, timeframes and related requirements set forth in the Contract. All materials and workmanship utilized in performing the Services under the Contract will be of the respective kind(s) described in the Contract and free from defects. Materials not conforming to the specifications in the Contract will not be used in performance of the Services without prior written approval of the ILO.
- 11.1.2. If the Services do not meet the requirements referred to above, the Contractor will, at its sole expense, either by repair or replacement, correct, promptly modify or change any faulty workmanship materials, parts and equipment supplied by it to the extent necessary to satisfy the above warranty.
- 11.1.3. If any defect or failure in the Services cannot be rectified by remedial measures within the period agreed by the ILO and the Contractor, the Contractor will be considered to be in default and in addition to exercising any suspension or termination rights set forth in the Contract, the ILO has the right to independently replace or repair the Services and the Contractor will be obligated to reimburse the ILO for all the additional costs so incurred, including by deduction or otherwise, against future amounts owed by the ILO to the Contractor.

12. MISCELLANEOUS

- 12.1. **CHANGE ORDERS:** The ILO may, by written notification, increase or decrease the scope of Services of the Contract provided the stage reached in the performance of the Contract so allows. If any such changes increase or decrease the cost of and/or the time required for the performance of any part of the Contract, an equitable adjustment will be made in the Contract's price or time schedule, or both, and the Contract will accordingly be amended. Any request for consultation or claim for adjustment under this paragraph will be asserted by the Contractor within thirty (30) working days from the date of receipt of ILO's change order.
- 12.2. **AMENDMENTS:** The Parties may by mutual agreement amend the Contract. Amendments will be effective only if in writing and when executed and delivered on behalf of the ILO and the Contractor by persons duly authorized to do so.
- 12.3. **NON-WAIVER OF RIGHTS:** Termination of the Contract in whole or in part by a Party or the failure by either Party to exercise any rights available to it, will not affect the accrued rights or claims and liabilities of either Party to the Contract.
- 12.4. **SURVIVAL:** The obligations contained in paragraphs 4.6 (Insurance); 4.7 (Indemnification); 6.1 (Proprietary Items and Intellectual Property Rights); 6.2 (Confidential Nature of and Responsibility for Proprietary Items, Intellectual Property and Other Information); 6.3 (Publicity and Use of the Name, Emblem or Official Seal); and 11.1 (Warranty of Services) survive the termination or expiration of the Contract.
- 12.5. **LIMITATION ON ACTIONS:** Irrespective of their nature, any dispute, controversy, or claim arising out of the Contract or the breach, termination, or invalidity thereof (other than obligations enumerated in paragraph 12.4) must be asserted within six (6) months after the termination or expiration of the Contract.

13. SETTLEMENT OF DISPUTES

- 13.1. **AMICABLE SETTLEMENT:** The Parties will use their best efforts to amicably settle any dispute, controversy, or claim arising out of the Contract or the breach, termination, or invalidity thereof by direct informal negotiations, including, where agreed, by referral, to an executive level of authority within the Parties. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation will take place in accordance with the Conciliation Rules then prevailing of the United Nations Commission on

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International Trade Law (**UNCITRAL**) or according to such other procedure as may be agreed between the Parties in writing.

- 13.2. **ARBITRATION:** Unless settled amicably under paragraph **13.1**, within sixty (**60**) days, after receipt by one Party of the other Party's written request, any dispute, controversy or claim arising out of the Contract, or the breach, termination or invalidity thereof, will be settled by arbitration in accordance with the UNCITRAL Arbitration Rules then prevailing. In addition:
- 13.2.1. the place of arbitration will be Geneva;
 - 13.2.2. the decisions of the arbitral tribunal will be based on general principles of international commercial law;
 - 13.2.3. the arbitral tribunal will have no authority to award punitive damages; and
 - 13.2.4. the Parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim arising out of the Contract, or the breach, termination or invalidity thereof.
- 13.3. **LANGUAGE:** The conciliation and the arbitration proceedings will be conducted in the language in which the Contract is signed provided that it is one of the three working languages of the ILO (English, French and Spanish). In the event the Contract is in a language other than English, French or Spanish, the conciliation or the arbitration proceedings will be conducted in English, French or Spanish.